

Amoéba

Price EUR30.70

It is getting closer! (note released today)

Fair Value EUR35 (+14%)

CORPORATE

Bloomberg	AMEBA.FP
Reuters	AMEBA.PA
12-month High / Low (EUR)	38.2 / 8.3
Market Cap (EUR)	164
Ev (BG Estimates) (EUR)	170
Avg. 6m daily volume (000)	21.50
3y EPS CAGR	

We publish a report this morning in which we revisit Amoéba's investment case and update both our estimates and FV after integrating more optimistic assumptions on the group's commercial development as well as a lower risk premium. Newsflow since Amoéba's IPO in July 2015 has been clearly reassuring, reducing risk components for investors. Our new EUR35/share FV implies >10% upside, and more than 30% if market authorisations are delivered.

ANALYSIS

- **A solid track record since the IPO:** Since its successful IPO in July 2015, Amoéba has signed **new partnerships with water treatment companies** in Europe and outside Europe, adding weight to the group's pre-commercial success in the sector. It has also been granted **two new patents**, which will allow it to use its product for new applications. The group also announced that provisional market authorisations for EU countries could come earlier than expected, once the ANSES validates the active principle in Amoéba's solution). Investors have reacted positively to this newsflow with the stock gaining more than **300%** compared with the IPO price of **EUR8.3**.
- **Nearer to commercialisation?** Recent comments (*March 2016*) regarding market authorisations to sell the product in Europe were reassuring, as they **1/** confirmed the market authorisation procedure schedule unveiled during the IPO, excluding the risk of delay, and **2/** indicated that MA in Europe should be validated (*or not*) by October 2016 as the latest whereas in our model we were anticipating a start in H1 2017. Although we have no further details as to whether or not the approvals will be validated, we at least have more reassuring news on the approval process schedule.
- **A new FV at EUR35/share:** We have updated our model to include 2015 metrics and more optimistic sales assumptions following LOI signings with partners to promote the product in Germany and in Turkey, two important industrial markets. We have also cut our WACC (*by 250bp to 12%*) by reducing our beta on Amoéba to reflect the solid track record since the IPO and higher visibility on market approvals. Our new **EUR35/share FV** implies >10% upside while our FV post market approvals (*without discount*) would imply >30%.

VALUATION

- Buy, FV @ EUR35

NEXT CATALYSTS

- H1-2016: European Union market approval

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	1 M	3 M	6 M	31/12/15
Absolute perf.	15.5%	10.4%	43.5%	-11.3%
Utilities	0.0%	-2.6%	1.5%	-5.7%
DJ Stoxx 600	2.6%	-4.6%	-1.8%	-7.0%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	0.6	3.1	15.3	41.0
EBITDA	-4.0	-2.7	4.2	20.7
EBIT	-4.0	-2.9	3.2	18.6
% change		27.8%	NS	
Net income	-4.0	-3.0	2.1	12.4
% change		26.1%	NS	

	2015	2016e	2017e	2018e
Operating margin	-675.7	-91.9	20.7	45.3
Net margin	-680.9	-94.8	13.4	30.2
ROE	-39.9	-48.7	28.8	66.2
ROCE	-141.6	-19.7	10.2	40.9
Gearing	-73.1	59.2	188.5	62.0

(EUR)	2015	2016e	2017e	2018e
EPS	-0.75	-0.55	0.38	2.32
% change	-	26.1%	NS	
P/E	NS	NS	80.0x	13.3x
FCF yield (%)	NM	NM	NM	1.2%
Dividends (EUR)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	NS	NS	11.0x	4.1x
EV/EBITDA	NS	NS	40.4x	8.1x
EV/EBIT	NS	NS	53.3x	9.0x



Analyst :

Xavier Caroen
33(0) 1.56.68.75.18
xcaroen@bryangarnier.com

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Distribution of stock ratings

BUY ratings 64.4%

NEUTRAL ratings 28.1%

SELL ratings 7.4%

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London	Paris	New York	Geneva	New Delhi
Beaufort House	26 Avenue des Champs Elysées	750 Lexington Avenue	rue de Grenus 7	The Imperial Hotel
15 St. Botolph Street	75008 Paris	New York, NY 10022	CP 2113	Janpath
London EC3A 7BB	Tel: +33 (0) 1 56 68 75 00	Tel: +1 (0) 212 337 7000	Genève 1, CH 1211	New Delhi 110 001
Tel: +44 (0) 207 332 2500	Fax: +33 (0) 1 56 68 75 01	Fax: +1 (0) 212 337 7002	Tel +4122 731 3263	Tel +91 11 4132 6062
Fax: +44 (0) 207 332 2559	Regulated by the	FINRA and SIPC member	Fax+4122731 3243	+91 98 1111 5119
Authorised and regulated by the	Financial Conduct Authority (FCA) and		Regulated by the	Fax +91 11 2621 9062
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